

By: Ellis

S.B. No. 964

A BILL TO BE ENTITLED

AN ACT

relating to requirements for insurers and insurance agents that sell Medicare-related products.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle I, Title 8, Insurance Code, is amended by adding Chapter 1654 to read as follows:

CHAPTER 1654. REQUIREMENTS RELATING TO SALE OF CERTAIN

MEDICARE-RELATED PRODUCTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1654.001. DEFINITIONS. In this chapter:

(1) "Medicare advantage plan" means a health benefit plan operated under the Medicare program as a managed care plan, special needs plan, or private fee-for-service plan.

(2) "Medicare program" means the federal health insurance program that is operated under the Health Insurance for the Aged Act (42 U.S.C. Section 1395 et seq.).

(3) "Medicare-related product" means a Medicare advantage plan, a Medicare supplement benefit plan, a Medicare prescription drug plan, or another health plan operated under the Medicare program, such as a Medicare cost plan or a Medicare demonstration plan.

(4) "Medicare supplement benefit plan" has the meaning assigned by Section 1652.002. The term includes a Medigap policy.

Sec. 1654.002. APPLICABILITY. This chapter applies only to

1 insurers and insurance agents that solicit, negotiate, or sell
2 Medicare-related products.

3 Sec. 1654.003. RULES. The commissioner shall adopt rules
4 as necessary to implement this chapter.

5 [Sections 1654.004-1654.050 reserved for expansion]

6 SUBCHAPTER B. COMPENSATION RESTRICTIONS

7 Sec. 1654.051. COMPENSATION RESTRICTIONS. (a) An insurer
8 may not pay or offer to pay to an insurance agent, and an insurance
9 agent may not accept, a payment for Medicare-related products that
10 operates as an incentive for sales behavior that may violate
11 Chapter 541 or is otherwise false, deceptive, or misleading.

12 (b) The commissioner may order an insurer to change the
13 insurer's Medicare-related agent commission payment schedules if
14 the commissioner determines that the schedules operate as an
15 incentive for sales behavior that may violate Chapter 541 or is
16 otherwise false, deceptive, or misleading.

17 [Sections 1654.052-1654.100 reserved for expansion]

18 SUBCHAPTER C. AGENT REQUIREMENTS

19 Sec. 1654.101. AGENT EDUCATION REQUIREMENTS. (a) An
20 insurance agent that intends to sell, solicit, or negotiate a
21 contract for a Medicare-related product in this state or to
22 represent an insurer in relation to such a product must submit
23 evidence satisfactory to the department of completion of at least
24 eight hours of professional training relating to Medicare-related
25 products before selling, soliciting, or negotiating such a
26 contract.

27 (b) The requirement imposed under Subsection (a) is in

1 addition to any other education or training requirements imposed
2 under this code and rules adopted under this code for issuance of a
3 license.

4 Sec. 1654.102. CONTINUING EDUCATION. (a) Each agent
5 subject to this chapter must complete eight hours of continuing
6 education annually that specifically relates to Medicare-related
7 products.

8 (b) Each hour of education completed in accordance with
9 Subsection (a) may be used to satisfy an hour of a continuing
10 education requirement otherwise applicable to the agent under this
11 title.

12 SECTION 2. The commissioner of insurance shall adopt rules
13 as required by Chapter 1654, Insurance Code, as added by this Act,
14 not later than December 1, 2009.

15 SECTION 3. Section 1654.102, Insurance Code, as added by
16 this Act, applies to requirements for an insurance agent license
17 issued or renewed on or after January 1, 2010.

18 SECTION 4. This Act takes effect September 1, 2009.